UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

JTH TAX, INC. d/b/a LIBERTY TAX SERVICE,

Plaintiff,

v. **Civil No.** 2:07cv170

KENYA WHITAKER AND EASY SOFTWARE SOLUTIONS, LLC.,

Defendants.

Declaration of Sandra Stow

Pursuant to 28 U.S.C. § 1746, I, Sandra Stow declare under penalty of perjury that the following statements are true and correct:

1. I am over the age of eighteen (18) years and am fully competent to testify to the matter stated in this declaration.

2. I am an Area Developer for Liberty in the Texas region where Kenya Whitaker and Easy Software Solutions, LLC (collectively "Whitaker") owned a Liberty franchise territory. Mr. Geoff Knapp is my partner. I am also a Franchise Development Representative for Liberty and have been from September 2001 through the present.

3. In January 2004, Whitaker commenced operation of a Liberty Tax office within the territory TX066 located at 2661 Midway Road, Suite 213, Carrollton, Texas 75006.

4. In January 2007, Liberty noticed some irregularities in the processing of tax returns at Whitaker's Liberty office.

5. In particular, all the tax returns processed were paper returns, no tax returns had been electronically filed using Liberty's software, the office had a low average net fee

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charged for tax preparation services and there was a drop in the number of returns prepared as compared to the prior year. In fact, Whitaker prepared 129 returns in the prior year during the month of January and this year she only prepared 85 returns during this same period.

6. Mr. Knapp and I discovered that Whitaker was using non-Liberty software to file returns.

7. As such, on February 6, 2007, Whitaker was terminated for failing to use Liberty's software and electronic filing services provided to her by Liberty.

8. Upon termination of Whitaker's franchise agreement, I, along with my partner, Geoff Knapp, attempted to gain Whitaker's compliance with the post termination covenants contained in her franchise agreement.

9. Whitaker has refused to comply with her post termination obligations and has instead retained some if not all of her client files, retained the Operations Manual which Liberty loaned to her, retained her former Liberty telephone number and refused to cease identification under Liberty's federally registered trademarks.

10. I live in and work in the Virginia Beach, Virginia area and have a teenage daughter. Travel to Texas for a trial would be extremely inconvenient to me.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 21 day of May 2007.

Sandra Stow